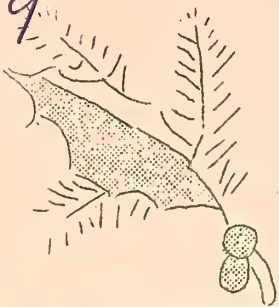


Historic, Archive Document

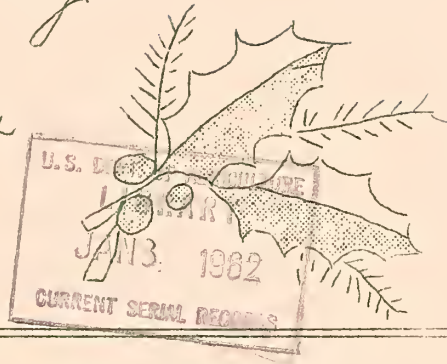
Do not assume content reflects current scientific knowledge, policies, or practices.

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Reserve



Christmas Greetings
from
the Market Administrator
and
his Staff



MILK MARKET INFORMATION
CHATTANOOGA, TENNESSEE MARKETING AREA
NOVEMBER 1961

Volume 6

Number 4

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-ASCS
Federal Order No. 100, 5916 Brainerd Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY NOVEMBER 1961

The MINIMUM uniform producer price is \$4.74 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During November 76.9% of the total producer milk was priced in Class I at \$5.14 per cwt. with a butterfat differential of 7.9 cents and 23.1% in Class II at \$3.65 per cwt. with a butterfat differential of 7.0 cents. The daily average use of Gross Class I milk increased 2.2% compared with October 1961 and increased 2.8% compared with November 1960.

Daily average delivery of milk from producers was 472,375 pounds in November 1961, a decrease of 11,674 pounds per day compared with October 1961 and an increase of 15,479 pounds compared with November 1960. Percentage-wise, November deliveries decreased 2.4% compared with October 1961 and increased 3.4% compared with November 1960.

ORDER NUMBER TO BE CHANGED

Effective January 1, 1962, the number of the order regulating the handling of milk in the Chattanooga, Tennessee Marketing Area will be changed to Order No. 90. Also on January 1, 1962, the order as it appears in the Federal Register and Code of Federal Regulations will be identified as Part No. 1090. The proper citation for the order will be 7 CFR 1090.

This change in numbers is being made by the Division of the Federal Register and will in no way change the terms and provisions of the order or its application. Handler report forms and other printed material containing the present order number will be reprinted to incorporate the changes as soon as current supplies are exhausted.

NEW OFFICE ADDRESS AS OF DECEMBER 15, 1961

Street Address
5916 Brainerd Road
Chattanooga 11, Tenn.

Mailing Address
P. O. Box 8085
Chattanooga 11, Tenn.

Telephone No. 698-4401

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Nov. '61</u>	<u>Oct. '61</u>	<u>Nov. '60</u>
Number of Plants (Pool and Non-Pool)	16	16	18
GROSS RECEIPTS POUNDS (DAILY)			
Producer Milk	472,375	484,049	456,896
% November '61 compared with:	100.0	97.6	103.4
Other Source Milk	5,924	4,962	11,131
Other Order Milk	7,051	7,501	5,559
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>485,350</u>	<u>496,512</u>	<u>473,586</u>
% November '61 compared with:	100.0	97.8	102.5
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	302,770	298,814	297,981
Fluid Skim	13,245	12,018	9,730
Buttermilk	37,664	37,170	37,702
Chocolate Milk	7,646	8,142	7,886
Cream Mixture ($\frac{1}{2}$ & $\frac{1}{2}$)	1,266	1,250	1,099
Light Cream (X)	322	325	542
Heavy Cream (XX)	622	499	621
Sour Cream	328	258	252
Bulk to Non-Handlers	3,177	483	757
Class I Shrinkage	1,096	1,138	2,304
Inventory Reclassification	(306)	(293)	(1,058)
Overstated Sales	-	-	-
Total Class I Milk	<u>367,830</u>	<u>359,804</u>	<u>357,816</u>
% November '61 compared with:	100.0	102.2	102.8
Class II Milk: (Used to Produce)			
Butter	13,111	11,875	11,500
Cottage Cheese	14,236	14,763	13,457
Powdered and Condensed Milk	57,130	71,282	34,009
Ice Cream	15,849	18,109	17,096
Inventory Variation	5,451	10,260	(1,059)
Other	11,743	10,419	40,767
Total Class II Milk	<u>117,520</u>	<u>136,708</u>	<u>115,770</u>
% November '61 compared with:	100.0	86.0	101.5
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>485,350</u>	<u>496,512</u>	<u>473,586</u>
 % Producer Milk of Gross Class I	 128.4	 134.5	 127.7
% Producer Milk Priced in Class I	76.9	73.4	76.7

DECEMBER 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Dec. '61</u>	<u>Nov. '61</u>	<u>Dec. '60</u>
Basic Formula (See page 4)	\$3.65	\$3.65	\$3.78
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.30)	(0.26)	(0.24)
Class I Price, 4.0% Butterfat	\$5.10	\$5.14	\$5.29
<u>Per \$ 1000.51 (a)</u>			
Supply-Demand Comparison: 1st and 2nd preceding months: October and November			
Supply: Lbs. Producer Milk (Oct. 15,005,526 and Nov. 14,171,258)			29,176,784
Demand: Lbs. Net Class I Milk (Oct. 11,039,037 and Nov. 10,918,115)			21,957,152
Utilization Percentage: Producer milk divided by Class I			133
Standard Utilization Percentage: Range 114-118			118
Net Deviation Percentage: Utilization minus Standard Utilization			plus 15
Supply-Demand Adjustment: 2 cents x 15 percentage points			minus \$0.30

Since the supply in relation to the demand is more than the desired standard, the price is decreased 30 cents per hundredweight (2 cents x 15 percentage points).

COMPUTATION OF UNIFORM PRODUCER PRICE FOR NOVEMBER 1961

Page 3

Based on 16 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		11,034,897	3.562		
Less Other Source		143,756	1.994		
Producer Milk Class I	76.9	10,891,141	3.582545	\$4.810211	\$523,886.86
Gross Class II		3,525,587	6.720		
Less Other Source		245,470	2.137		
Producer Milk Class II	23.1	3,280,117	7.063468	5.794428	190,064.02
TOTAL PROD. (Cl.I + Cl.II)	100.0	14,171,258	4.388248		713,950.88
Less Fractional Adjustment					.11
Add Compensatory Payment Value		19,613		0.40	78.45
Add Overage Value					200.04
Add Inventory Reclassification Value					36.75
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,473.49
TOTAL VALUE AT TEST		14,171,258	4.388248		719,739.50
Less Test Over 4% @ 7.6¢ per point		14,171,258	.388248	0.295068	41,814.85
TOTAL VALUE AT 4.0%		14,171,258	4.0	4.783800	677,924.65
Less Producer-Settlement Fund Reserve		14,171,258		.043800	6,207.01
UNIFORM PRICE f.o.b. POOL PLANT - 4%		14,171,258	4.0	\$4.74	\$671,717.64

NOVEMBER 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
 BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$3.98	3.6	\$4.436	4.2	\$4.892	4.8	\$5.348	5.4	\$5.804
3.05	4.018	3.65	4.474	4.25	4.93	4.85	5.386	5.45	5.842
3.1	4.056	3.7	4.512	4.3	4.968	4.9	5.424	5.5	5.88
3.15	4.094	3.75	4.55	4.35	5.006	4.95	5.462	5.55	5.918
3.2	4.132	3.8	4.588	4.4	5.044	5.0	5.50	5.6	5.956
3.25	4.17	3.85	4.626	4.45	5.082	5.05	5.538	5.65	5.994
3.3	4.208	3.9	4.664	4.5	5.12	5.1	5.576	5.7	6.032
3.35	4.246	3.95	4.702	4.55	5.158	5.15	5.614	5.75	6.07
3.4	4.284	4.0	4.74	4.6	5.196	5.2	5.652	5.8	6.108
3.45	4.322	4.05	4.778	4.65	5.234	5.25	5.69	5.85	6.146
3.5	4.36	4.1	4.816	4.7	5.272	5.3	5.728	5.9	6.184
3.55	4.398	4.15	4.854	4.75	5.31	5.35	5.766	5.95	6.222

MILK SAMPLES TESTED - Producer Fresh Samples 5,998 - Handler Finished Products 250.

MILK BASE RULES

The following rules shall apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
 1. All base transfers shall be signed by the person transferring base and the person receiving base.
 2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Nov. '60	\$4.85	-	-	7.6¢	\$5.30	7.9¢	\$3.55	7.1¢
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 ^{2/}	\$4.89	\$3.17	7.6	5.29	7.9	3.21	7.0
Apr.	4.56 ^{2/}	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 ^{2/}	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 ^{2/}	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 ^{2/}	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	4.67	-	-	7.6	5.00	7.9	3.65	7.0
Oct.	4.61	-	-	7.6	5.04	7.9	3.65	7.0
Nov.	4.74	-	-	7.6	5.14	7.9	3.65	7.0
Dec.	-	-	-	-	5.10	7.9	-	-

PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi. 92° Butter	Chi. Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder		
Nov. '60	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65
Sept.	3.182	60.466	15.105	35.025	3.56	3.32	3.65	3.10	3.65
Oct.	3.189	60.466	15.125	35.250	3.57	3.32	3.65	3.14	3.65
Nov.	3.206	60.466	15.070	35.250	3.59	3.32	3.65	3.15	3.65

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Month	GROSS MILK ^{3/}			PRODUCER MILK ^{3/}			Deliveries Per			Prod. Milk Test%
	No.	Total	Class I	Class I	Total	Base	No.	Farm----	Pounds	
	Hdlrs.	Receipt	Use	Use	Receipt	Receipt	Prod.	Prod.	Base Exc.	
Nov. '60	18	473,586	357,816	350,520	456,896	-	699	654	- -	4.41
Dec.	19	462,660	348,283	341,170	441,649	-	693	637	- -	4.47
Jan. '61	19	453,461	348,486	342,735	438,370	-	682	643	- -	4.46
Feb.	19	459,303	356,369	350,556	441,509	-	680	649	- -	4.32
Mar.	19	491,471	358,734	354,390	470,370	425,350	679	693	626 67	4.22
Apr.	19	524,548	344,138	339,543	500,275	433,660	679	737	639 98	4.17
May	19	543,235	335,018	330,864	499,424	430,079	679	736	633 103	4.17
June	17	527,227	326,883	322,856	460,325	409,710	676	681	606 75	4.16
July	16	466,850	321,059	316,817	437,786	391,221	674	650	580 70	4.11
Aug.	16	482,411	331,307	326,824	455,734	-	683	667	- -	4.10
Sept.	16	510,850	392,789	387,810	490,627	-	684	717	- -	4.10
Oct.	16	496,512	359,804	355,333	484,049	-	685	707	- -	4.33
Nov.	16	485,350	367,830	363,038	472,375	-	686	689	- -	4.39

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base